

## Message Text

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ACTION EB-11

INFO OCT-01 ARA-16 ISO-00 CAB-09 CIAE-00 COME-00 DODE-00

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FM AMEMBASSY BUENOS AIRES

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LIMITED OFFICIAL USE SECTION 1 OF 2 BUENOS AIRES 2066/1

E.O. 11652: N/A

TAGS: ETRN, AR

SUBJECT: CIVIL AIR NEGOTIATIONS - NEW APPROACH BY GOA

THE FOLLOWING IS FREE TRANSLATION OF DOCUMENT THE EMBASSY  
CONSIDERS AN INFORMAL AIDE-MEMOIRE HANDED TO DCM AT TERMI-  
NATION OF MEETING REPORTED REFTEL A.

      CRITERIA HELD BY THE ARGENTINE AERONAUTICAL  
      AUTHORITY IN VIEW OF THE POSTPONEMENT OF THE  
      ARGENTINE/US MEETING OF CONSULTATION WHICH TOOK  
      PLACE IN FEBRUARY 1974

1. AS ITS CONTENTS SHOWS, THE ARGENTINE DELEGATION SIGNED  
FINAL DOCUMENT (ACTA) OF THE MEETING OF CONSULTATION IN CON-  
SIDERATION OF THE FACT THAT THE US AUTHORITIES NEEDED MORE  
TIME IN ORDER TO GIVE AN ANSWER TO THE ARGENTINE REQUESTS,  
WITH PARTICULAR REFERENCE TO THE MIAMI CO-TERMINAL. FOR THIS  
REASON, (THE ARGENTINE DELEGATION) IS DISPOSED TO CONTINUE  
THE NEGOTIATIONS TOWARD REACHING AN AGREEMENT REGULATING  
CIVIL AIR TRANSPORT RELATIONS BETWEEN BOTH COUNTRIES.

2. MEANWHILE, IT CONSIDERS IT NECESSARY TO MAINTAIN THE DOOR  
OPEN FOR A BILATERAL DIALOGUE IN ORDER TO HOLD THE PRESENT  
LEVEL OF AGREEMENT WHICH HAS BEEN REACHED BETWEEN BOTH PAR-  
TIES AND ESPECIALLY WITH A VIEW TO AVOIDING THE IMPLEMENTA-  
TION OF MEASURES THAT MAY BE GENERATED EITHER BY THE SUSPEN-  
SION OF THE VIEWS OF CONSULTATION OF 1972 OR BY THE PRESENT  
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POSTPONEMENT OF THE MEETING OF CONSULTATION.

3. THE LEVEL OF UNDERSTANDING ACHIEVED DURING THE LAST TALKS, WHICH CAME VERY CLOSE TO SOLVING DOCTRINAL AND OPERATING DIFFERENCES, WOULD BE DISRUPTED IF US AUTHORITIES SHOULD UNILATERALLY ADOPT RESTRICTIVE MEASURES CONCERNING THE TRAFFIC BETWEEN BOTH COUNTRIES (SUCH AS THE SUSPENSION OF CO-TERMINAL RIGHTS INVOLVING MIAMI AND NEW YORK IN AEROLINEAS SERVICES OPERATING VIA THE WEST COAST OF SOUTH AMERICA) OR IN CASE THE ARGENTINE AUTHORITIES SHOULD DECIDE TO SUSPEND THE PROVISIONAL PERMITS GRANTED THE US CARRIERS. SUCH MEASURES WOULD SIGNIFICANTLY AFFECT THE INTERESTS OF CARRIERS AND USERS OF EXISTING SERVICES WHICH SHOULD BE PROTECTED AND FACILITATED. SUCH MEASURES WOULD NOT ONLY MAKE IT IMPOSSIBLE TO CONTINUE THE BILATERAL NEGOTIATIONS BUT WOULD ALSO VIOLATE ONE OF THE BASIC PRINCIPLES ON WHICH CIVIL AIR RELATIONS ARE BASED AND REGULATED INASMUCH AS THE RECIPROCITY WHICH WE HAVE AGREED TO ADOPT IN OUR DISCUSSIONS WOULD BE LIMITED AND DISRUPTED BY VIRTUE OF THE IMPLEMENTATION OF UNILATERAL RESTRICTIONS AND LIMITATIONS. RECIPROCITY (UNDER THESE CONDITIONS) WOULD BE CONDITIONED BY THE EQUIVALENT NUMBER AND MAGNITUDE OF REPRISALS WHICH EACH PARTY WOULD ADOPT, WITH THE RESULT THAT RECIPROCITY WOULD ONLY SIGNIFY DENYING AND REJECTING RATHER THAN FOR GRANTING THE NECESSARY AND ADEQUATE SUPPORT TO THE DEVELOPMENT OF CIVIL AIR RELATIONS BETWEEN BOTH COUNTRIES.

4. IN THIS CONNECTION, WE MIGHT MENTION THAT AFTER THE MEMO OF CONSULTATION OF 1972 HAD BEEN SIGNED, AND IN SPITE OF THE SUBSEQUENT SUSPENSION OF ITS IMPLEMENTATION, THE ARGENTINE AERONAUTICAL AUTHORITY HAS PROVIDED FAVORABLE CONDITIONS FOR THE OPERATIONS OF THE US CARRIERS ALTHOUGH THE PROVISIONS OF SAID DOCUMENT FAILED TO MEET STATUTORY REQUIREMENTS OF ARGENTINA. ESTABLISHING THESE FAVORABLE CONDITIONS GRANTED THE US CARRIERS MAY BE REGARDED AS CONCILIATORY, AND HIGHLY SIGNIFICANT, ACTIONS AIMED AT CREATING PROPITIOUS CONDITIONS FOR FACILITATING SOLUTIONS TO DIFFICULTIES, I.E.,

A) ALLOWING THE OPERATIONS OF US CARRIERS OVER ROUTES WHICH WERE AUTHORIZED ON A PROVISIONAL BASIS, WITH A SPECTRUM OF POINTS OF ORIGIN AND INTERMEDIATE POINTS WHICH PERMIT THE OPERATION FROM CO-TERMINALS, AND EVEN FROM THREE TERMINALS, IN THE US. THIS HAS ENABLED PAN AMERICAN TO EXTEND ITS LIMITED OFFICIAL USE

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SERVICES TO MIAMI AND BRANIFF TO INITIATE A FLIGHT FROM SAN FRANCISCO OR LOS ANGELES.

B) PROVISIONAL PERMIT TO PANAM FOR CHANGING GAUGE AT PANAMA (BOEING 707 - BOEING 747).

C) EXTEND FLIGHTS TO MONTEVIDEO WHICH IS THE EQUIVALENT OF AWARDED TRAFFIC RIGHTS BEYOND OUR TERRITORY IN THE REGIONAL AREA.

D) NO RESTRICTIONS HAVE BEEN IMPLEMENTED ON THE CARRIAGE OF

TRAFFIC FROM ARGENTINA TO POINTS BEYOND THE US, ESPECIALLY TO EUROPE AND ASIA; NO MEASURES WERE ADOPTED AGAINST THE PUBLICITY/ADVERTISING CAMPAIGNS LAUNCHED ON THIS SCORE BY THE LOCAL REPRESENTATIVES OF THE US CARRIERS.

E) PAN AMERICAN HAS BEEN AWARDED TRAFFIC RIGHTS BETWEEN CARACAS AND BUENOS AIRES, AND

F) WORLD AIRWAYS WAS AUTHORIZED TO OPERATE TWENTY-FIVE IRREGULAR FLIGHTS (I.E. CHARTERS), PAN AM FIVE AND BRANIFF FOUR.

5. THE ARGENTINE CIVIL AIR AUTHORITY FEELS THAT THE US CARRIERS HAVE NOT DULY APPRECIATED AND INTERPRETED THE EXCEPTIONAL TREATMENT WHICH THEY HAVE RECEIVED, WHICH HAS PLACED THEM IN A PRIVILEGED POSITION VIS-A-VIS OTHER FOREIGN CARRIERS OPERATING IN THIS COUNTRY, TO THE EXTENT IN FACT THAT DESPITE THE SUSPENSION OF IMPLEMENTATION OF THE MEMORANDUM OF CONSULTATION, THE NOTABLE INCREASE IN CAPACITY (SEATS) OFFERING OF THE US CARRIERS HAS ENABLED THEM TO OPERATE THE EQUIVALENT OF FIVE ADDITIONAL FREQUENCIES PER WEEK.

6. IN SPITE OF THE EVIDENCE REFERRED TO ABOVE AND IN ORDER TO PROMOTE AN UNDERSTANDING OF THE INTERESTS AFFECTED BY THE SUSPENSION OF THE MEMORANDUM OF CONSULTATION, THE ARGENTINE DELEGATION, IN AGREEMENT WITH WHAT THE US DELEGATION HAD EXPRESSED, UPHELD THE NEED OF REPLACING THIS DOCUMENT BY NEGOTIATING THESE FACETS WHICH BOTH PARTIES MIGHT DEEM NECESSARY. IN LINE WITH THIS VIEW THE ARGENTINE DELEGATION PROPOSED A LEVEL OF 18 WEEKLY SERVICES PER FLAG, EFFECTIVE IMMEDIATELY, TOWARD REACHING 20 WEEKLY SERVICES PER FLAG AT A LATER DATE.

NOTE BY OC/T: REFTEL CITED OMITTED. BEING SERVICED.

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ACTION EB-11

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7. PRECISELY THIS INCREASE IN CAPACITY OFFERING (WHICH IS BEING REQUESTED BY THE US CARRIERS THOUGH IT EXCEEDS THE PROVEN MARKET REQUIREMENTS BETWEEN BOTH COUNTRIES), IF IT IS TO AFFORD EQUITABLE OPERATING CONDITIONS TO AN ARGENTINE FLAG CARRIER LACKING IN THE OPERATIONAL FLEXIBILITY OF THE US CARRIERS BY VIRTUE OF THE LATTER'S NUMBERS OF SCHEDULES AND INTERMEDIATE POINTS, REQUIRES THE INCLUSION OF ONLY ONE CO-TERMINAL AND TWO INTERMEDIATE POINTS ON ITS ROUTES, NOT SO MUCH TO OFFSET THE APPRECIABLE DIFFERENCES IN FAVOR OF THE US CARRIERS OPERATING VIA THE EAST (ATLANTIC) AND WEST (PACIFIC) ROUTES, AS TO ESTABLISH, FOR THE ARGENTINE AIRLINE, THE MINIMUM CONDITIONS FOR PARTICIPATING IN THIS MARKET, AND WHICH WOULD ALSO JUSTIFY THE INCREASE IN CAPACITY IN THE LIGHT OF STATUTORY REQUIREMENTS IN FORCE IN OUR COUNTRY.

8. FURTHERMORE, THE GREATER FLEXIBILITY AND OPERATING POSSIBILITIES OBTAINED BY BOTH PARTIES, WOULD CONSTITUTE A BASIS OF UNDERSTANDING FOR THE INAUGURATION OF WIDE BODIED AIRCRAFT OVER THE ROUTES BETWEEN BOTH COUNTRIES.

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9. THE FACTS AND CIRCUMSTANCES MENTIONED ABOVE GIVE EVIDENCE OF THE ARGENTINE AUTHORITY'S PREDISPOSITION TO SPONSOR AN ADEQUATE CONSIDERATION OF THE MUTUAL INTERESTS AND CONSTITUTE CONCRETE MEASURES WHICH WERE ADOPTED DURING THE PERIOD WHEN IMPLEMENTATION OF THE MEMO OF CONSULTATION HAS BEEN SUSPENDED. THESE MEASURES WERE LIKEWISE MAINTAINED DURING LIMITED OFFICIAL USE

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THE PRESENT NEGOTIATIONS IN ORDER TO FACILITATE AN ARRANGEMENT UNDER WHICH DIFFERENCES OVER DOCTRINE AND OPERATIONS MAY BE RECONCILED. THESE DIVERGENCIES CANNOT BE SETTLED OR OVERCOME THROUGH ISOLATED OR UNILATERAL ACTIONS OF BOTH PARTIES AS HAS BEEN THE CASE UNTIL NOW. INSTEAD THE POSSIBILITY OF ARRIVING AT SOLUTIONS SATISFACTORY TO BOTH SIDES WILL BE FACILITATED IF THE RESPECTIVE AUTHORITIES, SETTING ASIDE THE CIRCUMSTANTIAL REQUIREMENTS OF THE CARRIERS, AGREE TO GRANT RECIPROCAL AND EQUITABLE OPERATING CONDITIONS, WHICH ALTHOUGH NOT EQUAL IN MAGNITUDE, WILL PERMIT SATISFYING THE PRESENT REQUIREMENTS OF THE TRAFFIC BETWEEN BOTH COUNTRIES, LAYING DOWN THE COMMON NORMS OR RULES OF INTERPRETATION AND IMPLEMENTATION ON WHICH THE AGREEMENT WILL BE BASED.

10. WITH THIS DESIRABLE GOAL IN MIND, THE ARGENTINE DELEGATION AGREED DURING THE RECENT DISCUSSIONS TO GRANT A SIGNIFICANT INCREASE IN CAPACITY IN RELATION TO ACTUAL MARKET REQUIREMENTS BETWEEN BOTH COUNTRIES, IN THE HOPE THAT THE

US DELEGATION MAY AGREE TO AN INCREASE IN THE TRAFFIC RIGHTS BY AWARDING A CO-TERMINAL. THOUGH BOTH THESE ASPECTS ARE NOT EQUIVALENT IN IMPORTANCE, THEY WOULD BE POSITIVE MEASURES TOWARD PROTECTING THE INTERESTS OF THE CARRIERS OF BOTH FLAGS, INDEPENDENTLY OF THE PROVISIONAL OR PERMANENT NATURE OF THE ARRANGEMENT.

11. IN VIEW OF REASONS MENTIONED ABOVE, THE ARGENTINE CIVIL AIR AUTHORITY, RATIFYING THE TERMS OF THE FINAL ACTA SIGNED ON MARCH 1, 1974, HEREBY EXPRESSES ITS WISH TO CONTINUE THE NEGOTIATIONS AT THE EARLIEST POSSIBLE OPPORTUNITY.  
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## Message Attributes

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**Draft Date:** 22 MAR 1974  
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